DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT ("Agreement") is entered into this 17th day of May, 2013 ("Effective Date") by and between Bodybuilding.com, LLC, a Delaware limited liability company, 2026 S. Silverstone Way, Meridian, ID 83642 ("Bodybuilding.com") and PhD Fitness, a California limited liability company, ("Company") and Jim Stoppani, an individual ('Stoppani")(collectively "Parties").

RECITALS

WHEREAS Bodybuilding.com is an online retailer of vitamins, dietary and sports supplements, beverages, food, gym equipment and fitness clothing; and

WHEREAS Stoppani is a recognized expert in training, nutrition and supplements who has previously worked with Bodybuilding.com and a celebrity who would like to develop, endorse and use his expertise, name and image, and/or the trade name JYM, to promote a line of health and fitness products in conjunction with Bodybuilding.com; and

WHEREAS the parties desire to jointly develop a line of health and fitness products, including capsules or powders, to be marketed and sold by Bodybuilding.com using Stoppani's expertise as to formulation and composition of the products and Stoppani's name and image.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

AGREEMENT

1. <u>Definitions</u>. For purposes of this Agreement, the following definitions apply:

"Force Majeure Event" means fire, flood, riot, strikes, labor disputes, freight embargoes or

transportation delays, acts of God, war, acts or threats of terrorism, or civil disturbances, any existing or future laws, rules, regulations or acts of any government affecting a party that would delay or prohibit performance hereunder, or any cause beyond the reasonable control of the Parties.

"Formulas" means the combination of ingredients in the Products (as defined below) developed and produced under the terms of this Agreement by Company.

"Marketing Information" means product descriptions, advertising, write-ups, high resolution images, videos, banners and any other marketing materials for inclusion on Bodybuilding.com's website.

"Product(s)" means items developed by the Parties bearing Stoppani's name and/or image, and/or the JYM trade name, including ingredients, labels and packaging.

Development Services. During the Term of this Agreement, Bodybuilding.com using Stoppani's input regarding will, ingredients and expertise to develop, manufacture, and sell, at its expense, a line of products (listed on Exhibit A) in conjunction with Company. Development includes formulas, packaging and label design, and logos. Company shall have the right to review and approve all designs before said Products approved for production Bodybuilding.com. Once Bodybuilding.com provides Products to Company for review and approval, Company will have ten (10) business days to respond. If Company does not timely reject a Product, the Product shall be deemed accepted by Company.

Legal Created
Apr. 2013

- 3. <u>Procurement; Processing and Packaging.</u>
- 3.1. <u>Procurement and Processing.</u> Bodybuilding.com will enter into and manage relationships with third party manufacturers, ingredient and label suppliers, at Bodybuilding.com's sole discretion, and expense, and shall manage such relationships.
- 3.2. Development and Marketing Costs. Bodybuilding.com will be responsible for payment of all developments costs including, but not limited to, formulation fees, for the Products as well as mutually agreed upon marketing or merchandising costs. Provided, also, that subject to Bodybuilding.com's approval, Company and Stoppani may provide additional promotional efforts beyond those planned by Bodybuilding.com.
- 3.3. Packaging. Bodybuilding.com shall develop all packaging and label design in conjunction with Company. Final approval for packaging and label designs will be Bodybuilding.com's sole responsibility. Bodybuilding.com may use any trade names, images, logos, trademarks or copywritten material developed in conjunction with Company or currently owned by Company on packaging and marketing materials ("Trademarks"). Company grants Bodybuilding.com the exclusive right and consent to use the Trademarks provided by Company or co-developed with Bodybuilding.com, subject to the terms of this Agreement. Bodybuilding.com will bear all costs of labels, packaging, and the like.
- 3.4. <u>Promotion</u>. During the term of this Agreement, Bodybuilding.com will promote the Products and Stoppani trainers on the Bodybuilding.com website(s).
- 3.5. Exclusivity.

- 3.5.1. <u>Manufacturing</u>. During the term of this Agreement, Bodybuilding.com will hold the exclusive right to have the Products manufactured, subject to the provisions of this Agreement or unless Bodybuilding.com otherwise agrees in writing.
- 3.5.2. <u>Sale</u>. For the first twelve (12) months Products are available for sale, Products will be sold exclusively through Bodybuilding.com's website(s). Provided, however, that if Bodybuilding.com should terminate the agreement, Company and Stoppani would thereafter have the right to sell the products through other outlets of their choosing.
- 3.6. <u>Inventory</u>. Bodybuilding.com will pay all costs for product production and for Product inventory and warehouse Products in its distribution centers.
- 4. <u>Payment Terms; Pricing; Additional Products.</u>
- 4.1. Payment Terms. Bodybuilding.com will pay Company a monthly royalty from the sale of Products, based on the specific terms and amounts provided in a numbered and separately signed addendum for each product developed and sold under this Agreement each of which shall be attached to this Agreement after execution by the parties. A list of the products contemplated by the parties is provided on Exhibit A, attached hereto. Payment for a calendar month will be due and payable no more than sixty (60) days after the end of a calendar month. Upon request, Bodybuilding.com will also furnish Company with reasonable and accurate sales and accounting records documenting the amount of royalties due under this Agreement.

- 4.2. <u>Product Pricing</u>. Bodybuilding.com shall be responsible to determine Product pricing.
- 5. Additional Products. Exhibit A may be amended from time to time by mutual agreement of the Parties. Additional Products added to Exhibit A shall be produced pursuant to the basic terms of this Agreement, with a separate agreement as to the royalty to be paid as to each product, embodied in an addendum signed by the parties.
- 6. Term and Termination. This Agreement will remain in effect for thirty-six (36) months from Effective Date or until otherwise terminated by the Parties as set forth herein. At the end of the initial term, this Agreement may be renewed by the Parties for an additional one (1) year term. Renewal must be in writing, signed by both Parties to be effective.
- 6.1 <u>Termination For Convenience</u>. This Agreement may be terminated for convenience by either party with sixty (60) days' written notice to the other party.
 - a. <u>Effect of Termination For Convenience</u>
 - b. . If Company terminates this Agreement for convenience, Company will reimburse Bodybuilding.com for all development costs actually incurred by Bodybuilding.com for the Products times two (Cost X2) as liquidated damages.

Effect of Termination For Convenience by Bodybuilding.com. If Bodybuilding.com terminates for convenience: (a) Bodybulding.com shall remain obligated to pay Company royalties on all JYM product sales whenever made; (b) Company and Stoppani shall thereafter have the right to sell any and all JYM products through other outlets without any further approval by

- Bodybuilding.com or obligation to Bodybuilding.com except to pay Bodybuilding.com the same amount of royalties on each of the products sold as Company was entitled to receive from Bodybuilding.com prior to the termination, for the balance of the time remaining on the agreement at the time of its termination.
- 6.2 Termination For Cause. Bodybuilding.com may terminate this Agreement immediately if Company is involved in any action or incident which could detrimental or damaging Bodybuilding.com's good will and reputation, at Bodybuilding.com's sole discretion; is convicted of a misdemeanor or felony; is determined to have a disability which would impair Company's ability to meet their obligations under this Agreement: or Company's death. In the event of such termination, Bodybuilding.com shall remain obligated to pay for all sales prior to any such termination.
- 6.3 <u>Inventory</u>. Bodybuilding.com shall have the right to sell through remaining Product inventory upon termination of this Agreement by either party for any reason. Bodybuilding.com shall pay the applicable royalty to Company for the Products in inventory sold as agreed in this Section 6.3.
- Discontinuance of Sales by Bodybuilding.com. If at any time during the term of this Agreement, Bodybuilding.com should decide to discontinue sales of any or all of the products produced and sold under this Agreement, Company and Stoppani shall have the right to sell the formulations they provide through other companies or outlets. using the JYM name or other name, but not the Bodybuilding.com labels and advertising materials. Company and Stoppani can sell jointly developed formulations with Bodybuilding.com's written consent.

8. Intellectual Property.

- Bodybuidling.com shall own and have all rights of ownership to labels and advertising materials for **Products** ("Bodybuilding.com's Intellectual Property"). Company and Stoppani shall retain intellectual property rights as to formulas for products provided by Company and Stoppani. Company, Stoppani and Bodybuilding.com shall jointly own formulas they jointly develop. Company agrees to Bodybuilding.com with any and all documents or actions necessary to secure and/or defend Company's intellectual property rights in Bodybuilding.com's Intellectual Property and Bodybuilding.com agrees to do likewise regarding Company's intellectual property rights.
- Company shall own and have all 8.2 rights of ownership to trademarks and trade names provided by Company for use with Products ("Company's Intellectual Property"). Company grants Bodybuilding.com a royaltyfree, worldwide right to use Company's Intellectual Property for Products.

9. Indemnification.

9.1 Indemnification by Company. Company shall indemnify, defend, and hold harmless Bodybuilding.com and its parent, subsidiary and affiliated companies, and their current and former directors, officers, employees, contractors, stockholders, agents and representatives from all liability, loss, damage, demands, costs, fees, attorneys' fees, actions or lawsuits, which any of them may be subject to by reason of any claim or right asserted at any time relating to: (i) any act or omission of Company, their agents or representatives in violation this Agreement; (ii) any actual or alleged violation of any law, regulation or ordinance; (iii) Company's

- breach of any provision of this Agreement. All provided that: (i) Bodybuilding.com promptly notifies Company of such claim; (ii) Bodybuilding.com gives Company control of the defense and settlement of such claim, action or lawsuit, provided that Company may not enter into any settlement agreement or release without Bodybuilding.com's prior written consent: (iii) Bodybuilding.com provides reasonable assistance to Company, at Company's expense; (iv) Company shall not be obligated to indemnify the Bodybuilding.com if the quality of the Products causing the alleged injury comply with Bodybuilding.com's Formulas and Company has met its obligations set forth in this Agreement.
- Indemnification by Bodybuilding.com. Bodybuilding.com shall defend, hold harmless and indemnify Company, their agents and representatives from and against any and all liability, loss, damage, costs, fees, attorneys' fees, actions or lawsuits which may arise by reason of any claim or right asserted by any person or entity relating to: (i) infringement upon the intellectual property rights of a third party based on Formulas; and (ii) product liability claims based on a defect associated with the Formulas or personal injury claims. All provided that: (i) Company promptly gives Bodybuilding.com written notice of such claim, action or lawsuit; (ii) Company gives Bodybuilding.com sole control of the defense and settlement of a claim, action or lawsuit; and (iii) Company provides reasonable assistance.
- Company Representations and Warranties. (a) Company has all right and title to Trademarks; (b) has the authority to enter into this Agreement: (c) performance of this Agreement is not in conflict with any other agreements or obligations of Company.

THE FOREGOING WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES NOT EXPRESSLY SET FORTH HEREIN, WHETHER EXPRESS OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

COMPANY SHALL NOT BE LIABLE UNDER THIS AGREEMENT, WHETHER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY, FOR (A) ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS OR (B) ANY AMOUNTS THAT IN THE AGGREGATE ARE IN EXCESS OF TEN MILLION DOLLARS DURING ANY 12 MONTHS OF THE TERM, REGARDLESS OF WHETHER THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Dispute Resolution. The Parties shall 11. make a good faith effort to negotiate a resolution of any dispute or claim related to this Agreement. Within ten (10) business days of receipt of a notice of a dispute or claim, an authorized representative of each party shall make a good faith effort to resolve the dispute or claim. The Parties agree to hold such negotiations for a period up to ten (10) business days. In the event a dispute or claim is not settled by the Parties during this time period, the Parties shall initiate mediation. Any party initiating mediation shall promptly notify the other party. In such event, the Parties will make a good faith effort to resolve the dispute or claim by mediation in accordance with the American Arbitration Association Commercial Mediation Rules. Mediation shall commence promptly and take place in Boise, Idaho. The costs of mediation shall be shared equally by the Parties. A settlement reached by mediation shall be binding on the Parties and reduced to writing to be signed by the

Parties. The Parties may seek injunctive or other equitable relief to avoid irreparable harm.

12. Confidentiality.

12.1. Confidential Information. "Confidential Information" means information, in whatever form, disclosed by a party pertaining to the Products or Formulas or the properties, composition or structure thereof or the manufacturing or processing thereof, or to a party's business, finances, technology, ideas, inventions, costs, pricing, marketing strategies or product offerings marked or communicated as "confidential" or "proprietary" or that the receiving party would reasonably understand to be confidential or proprietary. The Parties expressly agree that the Formulas and modifications thereto, in whatever form and with or without markings, are trade secrets of Company and Confidential Information under this Agreement. Confidential Information shall not include information that (i) was in possession of a party without confidentiality restriction prior to disclosure under this Agreement; (ii) at or after the time of disclosure by a party becomes generally available to the public through no act or omission on the part of the receiving party: (iii) has come into the possession of the receiving party without confidentiality restriction from a third party and such third party is under no obligation to maintain the confidentiality of such information; or (iv) except as relates to the Formulas, was independently developed by or for the receiving party without the use of any Confidential Information received from the disclosing party.

12.2 Restrictions on Use and Disclosure. Receiving party agrees to (i) hold Confidential Information in confidence and to take all reasonable precautions to protect

Confidential Information; (ii) not divulge any Confidential Information to third parties; and (iii) not make use of Confidential Information except as authorized by this Agreement. During the Term of this Agreement, each party will be permitted to disclose any part of Confidential Information to its employees or agents as is necessary to assist or enable them to perform their duties related to their obligations under this Agreement. Employees or agents to whom Confidential Information is disclosed are bound by the terms of section 17. The receiving party will indemnify the disclosing party against and hold disclosing party harmless from any and all damages, claims, demands, liabilities, suits or expenses arising from receiving party's failure to fulfill their obligations herein.

- 12.3 Judicial Order. In the event a receiving party is ordered to disclose Confidential Information pursuant to a judicial or government request or order, receiving party will promptly notify disclosing party and take reasonable steps to assist disclosing party, at disclosing party's expense, in contesting such request or order and in otherwise protecting disclosing party's rights prior to disclosure.
- 12.4 Return of Confidential Information. Upon disclosing party's written request or termination of this Agreement, receiving party shall return to disclosing party all originals, copies and summaries of documents, materials and other tangible manifestations of Confidential Information in the possession or control of receiving party, or destroy such documents and confirm and certify their destruction in writing.
- 12.5 Remedies. The Parties understand and agree that this section 17 is necessary to protect the Parties' respective business interests and that Parties may suffer irreparable harm from a breach of section 17.

In addition to any other rights or remedies, all of which are deemed cumulative, a party shall be entitled to pursue injunctive or other appropriate equitable relief, without posting a bond, to enforce the terms of section 17. Each party shall notify the other party immediately upon any unauthorized release of Confidential Information or breach of section 16.

13. Notices. Notices provided hereunder shall be in writing or delivered electronically by e-mail to the following:

To Company:

PhD Fitness, LLC Attn: Arthur Angel, General Counsel 1305 N. Poinsettia Place Los Angeles, CA 90046

Phone: (323) 656-9085

Fax: (323) 417-4704

Email: arthurangel@sbcglobal.net

To Bodybuilding.com:

Bodybuilding.com, LLC Attn: General Counsel 2026 S. Silverstone Way Meridian, ID 83646

Phone: 208.377.3326 Fax: 208.246.6363

Email: legal@bodybuilding.com

14. Independent Contractor. In all matters relating to this Agreement, the Parties are acting as independent contractors. Parties agree that nothing in this Agreement shall be construed to create a partnership, joint venture, employment or agency relationship between them. Neither party has the right or authority to assume or create obligations on the other party's behalf.

- 15. Governing Law and Venue. This Agreement is governed by the laws of the state of Idaho. Venue for any action involving the Parties shall be courts located in Ada County, Idaho.
- 16. Severability. If any provision herein is determined unenforceable or invalid, the balance of the Agreement shall remain in effect.
- 17. Amendment and Waiver. Amendments shall be in writing and executed by the Parties. Failure to insist on strict performance hereunder shall not constitute a waiver.
- 18. Binding Effect and Assignments.
 This Agreement shall be binding upon the parties and any successors. This Agreement may not be assigned by either party, or the duties imposed herein delegated to any other party without the written consent of the other party.t.

- 19. Entire Agreement. This Agreement and all exhibits attached hereto and incorporated by reference constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements.
- 20. Survival. The provisions of sections 8, 9, 10, 11, 12, 13, 14, 15 and 17 shall survive termination or expiration of this Agreement.
- <u>21.</u> Counterparts. This Agreement may be executed in counterparts by exchanging portable document format (PDF) images, email or facsimile signatures.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.

BODYBUILDING.COM:

COMPANY:

BODYBUILDING.COM, LLC

PHD FITNESS, LLC

Signature:	Signature:
Printed Name: Bill Carter	Printed Name: Jim Stoppani
Title: General Counsel	Title: Managing Member

JIM STOPPANI

Signature:

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For Bodybuilding.com:

Bill Carter,

General Counsel

For Phd Fitness (and Stoppani):

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Arthur Angel,

General Counsel

EXHIBIT A

Product Brand Name and Description	Size	Flavor
JYM (Pre-Workout)	20 serving jar	Raspberry Lemonade & Cherry Lemonade
JYM (Post-Workout)	20 serving display box	Watermelon & Fruit Punch
JYM (Protein)	4 lbs. bag	Vanilla, Chocolate & Cookies and Cream

ADDENDUM NO. 1

TO DEVELOPMENT AGREEMENT

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC and Jim Stoppani, this Addendum No. 1 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to PhD Fitness, LLC by Bodybuilding.com, LLC on sales of the JYM Pre-Workout product identified on Exhibit A to said Agreement.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of the JYM Pre-Workout product shall be Four dollars (\$4.00) on each 20 serving jar of that product sold.

Confirmed and Agreed on this 28 day of May, 2013

For Bodybuilding.com, LLC, by:

Bill Carter General Counsel

For PhD Fitness, LLC, by:

Jim Stoppani

For Jim Stoppani:

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC, and Jim Stoppani, this Addendum No. 2 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to Phd Fitness, LLC by Bodybuilding.com, LLC on sales of the JYM Post-Workout product identified on Exhibit A to said Agreement.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of the JYM Post-Workout product shall be Four dollars (\$4.00) on each 20 serving container or box of that product sold.

Confirmed and Agreed:

Date 11/1/13

For Bodybuilding.com, by:

[Printed Name CHOIT OLSW]

For Phd Fitness, LLC, by:

Jim Stoppani

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC, and Jim Stoppani, this Addendum No. 3 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to Phd Fitness, LLC by Bodybuilding.com, LLC on sales of the JYM Protein supplement product identified on Exhibit A to said Agreement.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of the JYM Protein supplement product shall be Four dollars (\$4.00) on each container or unit of that product sold.

Confirmed and Agreed:

Date

For Bodybuilding.com, by:

Printed Name BILL

GENERAL COUNT

For Phd Fitness, LLC, by:

Jim Stoppani

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC, and Jim Stoppani, this Addendum No. 3 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to Phd Fitness, LLC by Bodybuilding.com, LLC on sales of the JYM testosterone booster product identified on Exhibit A to said Agreement. The working title for this product is Super JYM or Alpha JYM, but the final name may be different.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of the JYM testosterone booster product shall be Five dollars (\$5.00) on each bottle (336 capsules) of that product which is sold.

Confirmed and Agreed:

Date 12

For Bodybuilding.com, by:

[Printed Name

GENERAL COUNSEL

For Phd Fitness, LLC, by:

Jim Stoppani

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC, and Jim Stoppani, this Addendum No. 5 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to Phd Fitness, LLC by Bodybuilding.com, LLC on sales of the JYM fat burner product identified on Exhibit A to said Agreement. The working title for this product is Shred JYM, but the final name may be different.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of the JYM fat burner product shall be Five dollars (\$5.00) on each bottle (240 capsules) of that product which is sold.

Confirmed and Agreed:

Date

For Bodybuilding.com, by:

[Printed Name BILL

For Phd Fitness, LLC, by:

Jim Stoppani

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC, and Jim Stoppani, this Addendum No. 6 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to Phd Fitness, LLC by Bodybuilding.com, LLC on sales of the Vita JYM multi-vitamin product.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of the Vita JYM multi-vitamin product shall be Five dollars (\$5.00) on each bottle of 60 capsules of that product which is sold.

Confirmed and Agreed:

For Bodybuilding.com, by

[Printed Name BILL CARTER]
GENERAL COUNSEL

For Phd Fitness, LLC, by:

Jim Stoppani

ADDENDUM NO. 7

TO DEVELOPMENT AGREEMENT

As contemplated in sections 2 and 4.1 of the Development Agreement dated May 17, 2013 among Bodybuilding.com, LLC, PhD Fitness, LLC and Jim Stoppani, this Addendum No. 7 to said Agreement will confirm and memorialize the parties' agreement as to the royalty to be paid to PhD Fitness, LLC by Bodybuilding.com, LLC on sales of the Pro JYM protein product ("Pro JYM") identified on Exhibit A to said Agreement.

The parties have agreed that the royalty to be paid on all sales by Bodybuilding.com of Pro JYM shall be two dollars (\$2.00) for the 2 lbs serving and three dollars (\$3.00) for the 4 lbs serving of Pro JYM sold.

For PhD Fitness, LLC, by:

Jim Stoppani

For Jim Stoppani: